

the nominated area, as long as each enclosed area to be excluded is within a continuous boundary line.

(3) The nominated area may be any size, as long as it meets all of the requirements of this part.

(b) *Population requirements*—(1) *In general.* Except as provided in paragraph (b)(2) of this section, a nominated area must have a population of not more than 200,000 and at least:

(i) 4,000 if any portion of the area (other than a nominated rural area) is located within an MA which has a population of 50,000 or greater; or

(ii) 1,000 in any other case.

(2) *Nominated areas on Indian reservations.* A nominated area that is entirely within an Indian reservation (as determined by the Secretary of the Interior) is not subject to the population requirements of paragraph (b)(1) of this section.

**§ 599.105 Economic condition requirements for a nominated area.**

(a) *Certification for economic requirements.* An official or officials authorized to do so by the nominating State and local governments must certify in writing for HUD's acceptance that the nominated area is an area of pervasive poverty, unemployment, and general distress, and that the nominated area meets the requirements of paragraphs (b), (c) and, in the case of urban areas, paragraph (d) of this section. HUD's acceptance of the certification is subject to a review of data supporting the certification, as provided in paragraph (e) of this section.

(b) *Unemployment requirement.* A nominated area meets the unemployment requirement if the unemployment rate in the nominated area taken as a whole was at least one and one-half times (150% of) the national unemployment rate for the period to which such data relate.

(c) *Poverty requirement.* A nominated area meets the poverty requirement if the poverty rate for each population census tract within the nominated area is at least 20 percent. In the case of a nominated area that is within an Indian reservation, and cannot equivalently be described with census tracts, the poverty rate of the nominated area

taken as a whole is considered for purposes of making this determination.

(d) *Income requirement for urban areas.* In the case of a nominated urban area, at least 70 percent of the households living in the nominated area must have incomes below 80 percent of the median income of households within the jurisdiction of the local government or governments in which the nominated area is located. The number of households below 80 percent of the median income in each census tract shall be the number of households with incomes below 80 percent of the Household Adjusted Median Family Income (HAMFI) in each census tract as determined by HUD.

(e) *HUD review of supporting data*—(1) *Unemployment, poverty and income.* HUD will review 1990 census data to determine whether to accept a certification that a nominated area meets the requirements of paragraphs (b), (c) and (d) of this section.

(2) *Pervasive poverty, unemployment and general distress*—(i) *Pervasive poverty.* Pervasive poverty is demonstrated by evidence that:

(A) Poverty, as indicated by the number of persons listed as being in poverty in the 1990 Decennial Census, is widespread throughout the nominated area; or

(B) Poverty, as described in paragraph (e)(2)(i)(A) of this section, has become entrenched or intractable over time (through comparison of 1980 and 1990 census data or other relevant evidence).

(ii) *Unemployment.* Unemployment is demonstrated by:

(A) The most recent data available indicating that the annual rate of unemployment for the nominated area is not less than the national annual average rate of unemployment; or

(B) Evidence of especially severe economic conditions, such as military base or plant closings or other conditions that have brought about significant job dislocation within the nominated area.

(iii) *General distress.* General distress is evidenced by describing adverse conditions within the nominated urban area other than those of pervasive poverty and unemployment. Below average

or decline in per capita income, earnings per worker, number of persons on welfare, per capita property tax base, average years of school completed, substantial population decline, and a high or rising incidence of crime, narcotics use, homelessness, high incidence of AIDS, abandoned housing, deteriorated infrastructure, school dropouts, teen pregnancy, incidence of domestic violence, incidence of certain health conditions and illiteracy are examples of appropriate indicators of general distress.

**§599.107 Required State and local commitments.**

(a) *Commitment to a course of action—*  
(1) *Agreement of State and local governments.* The nominating State and local governments must agree in writing that, for any period during which the area is a Renewal Community, the governments will follow a specified course of action which meets the requirements of paragraph (a)(2) of this section. If each nominating State and local government is a signatory to a course of action under paragraph (a)(2) of this section, a separate written agreement is not necessary to meet the requirements of this paragraph.

(2) *Course of action requirements—*(i) *In general.* A course of action is a written document, signed by the nominated area's State and/or local governments and community-based organizations which commits each signatory to undertake and achieve measurable goals and actions within the nominated area upon its designation as a Renewal Community.

(ii) *Community-based organizations.* For purposes of the course of action, "community-based organizations" includes for-profit and non-profit private entities, businesses and business organizations, neighborhood organizations, and community groups. Community-based organizations are not required to be located in the nominated area as long as they commit to achieving the goals of the course of action in the Renewal Community.

(iii) *Timetable.* The course of action must include a timetable that identifies the significant steps and target dates for implementing the goals and actions.

(iv) *Performance measures.* The course of action must include a description of how the performance of the course of action will be measured and evaluated.

(v) *Required goals and actions.* The course of action must include at least four of the following:

(A) A reduction of tax rates or fees applying within the Renewal Community;

(B) An increase in the level of efficiency of local services within the Renewal Community, such as services for residents funded through the Federal Temporary Assistance for Needy Families program and related Federal programs including, for example, job support services, child care and after school care for children of working residents, employment training, transportation services and other services that help residents become economically self-sufficient;

(C) Crime reduction strategies, such as crime prevention, including the provision of crime prevention services by nongovernmental entities;

(D) Actions to reduce, remove, simplify, or streamline governmental requirements applying within the Renewal Community, such as:

(1) *Density bonus.* Permission to develop or redevelop real property at a higher density level than otherwise permitted under the zoning ordinance, e.g., increased height or increased number of residential or business units;

(2) *Incentive zoning.* Providing a density bonus or other real property-related incentive for the development, redevelopment, or preservation of a parcel in the designated area;

(3) *Comprehensive or one-stop permit.* Streamlining construction or other development permitting processes, rather than requiring multiple applications for multiple permits, e.g., for demolition, site preparation, and construction, the developer or redeveloper submits a single application that is circulated for the necessary reviews by the various planning, engineering, and other departments in the county or municipality;

(4) *Variance and exception policies.* Counties or municipalities may pass ordinances that permit variances to or exceptions from certain zoning or other land use limitations. Examples include